

From: Lesley M Lampert <lesley.lampert@scbandt.com> on 01/31/2004 11:40:29 AM
Subject: Regulation Z - Truth in Lending

I realize comments on the subject were due no later than yesterday, 1/30/2004, but hope you will excuse the delay and take the concerns listed below in consideration. A 60-day comment period seems even shorter when it occurs over major holidays and into the first of the year when so much is happening in the compliance arena as CRA and HMDA files are prepared for submission, year-end information is wrapped up, etc. not to mention the recent winter storms which resulted in 2 lost work days during this critical time.

South Carolina Bank and Trust, NA [SCBT] is opposed to the subject proposals that would significantly change what constitutes "clear and conspicuous" in the disclosures required by Regulations Z, B, E, M, and DD.

- **No problem with existing disclosures identified.** SCBT appreciates consistency within the regulations to ease compliance but does not see that these proposals are justified or workable. What evidence is available to indicate that current disclosures are unsatisfactory? If issues with any of the disclosure documents provided under these regulations have been identified, they should be specifically addressed.
- **Regulations not suited to generic disclosure approach.** The disclosure provided consumers under Regulation P/Privacy is generic; disclosures for these regulations are often transaction specific and do not lend themselves to generic language. New format standards for these regulations which contain civil liability provisions could increase a financial institution's expenses in the defense of lawsuits for good faith compliance. Eventually customers feel the impact of bank expenses through increased fees and loan rates and/or lower deposit rates.
- **Impose expensive regulatory burden.** The proposals will result in significant expense to financial institutions including: time/staff resources to review, redraft and reproduce all disclosures, implement system changes or possibly new systems to produce disclosures, train personnel on changes. The standards of "understandability" and whether a document lacks "everyday words" are very subjective. The requirements of font size, margin size, headings, and bullets may dramatically increase the length of disclosures, adding additional costs.
- **Revised disclosures may not assist consumers.** Consumers may be disinclined to review even longer disclosures. Other helpful information currently provided by financial institutions may have to be omitted due to increased paper costs; other related disclosures may be segregated creating consumer confusion and additional document retention issues for banks.

Thank you.

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